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Approved by the World Food and Agricultural Outlook and Situation Board • USDA

FCOF 2-79
April 1979

FOURTH ESTIMATE OF 1978/79 WORLD COFFEE CROP DOWN SLIGHTLY *C 2*

Summary

The fourth USDA estimate of the 1978/79 world coffee crop is for a total production of 74.4 million bags (60 kilograms each), about 100,000 bags less than the third estimate but 7 percent larger than the 1977/78 outturn. Based on past performance, the chances are two out of three that the fourth estimate of total production will not vary by more than 3.2 percent from the final outturn for the year.

Exportable production, which represents total harvested production less domestic consumption in producing countries, is estimated at 55.1 million bags, or 7 percent higher than the estimate of 51.4 million bags for 1977/78.

The only significant changes in 1978/79 North American production are an increase of 100,000 bags for El Salvador and a decrease of 50,000 bags in the estimate for the Dominican Republic. In South America, estimates for Bolivia have been revised downward for both 1978/79 and 1977/78, while a modest increase is made in the 1978/79 estimate for Peru. Estimates for Brazil and Colombia are unchanged.

Total production for Africa in 1978/79 is virtually unchanged from the third estimate, with offsetting revisions in estimates of several minor producers. For 1977/78, the estimate for Kenya was increased by 15 percent as exports were larger than expected. In Cameroon and Uganda, additional data on exports and carryover stocks resulted in downward crop revisions of 8 and 9 percent, respectively.

India's 1978/79 crop was reduced by 150,000 bags because of excessive rainfall—the only change for Asia and Oceania.

Production

NORTH AMERICA

The North American 1978/79 coffee crop is estimated at 15.1 million bags, with exportable production estimated at 11.3 million. El Salvador's crop is revised upwards by 100,000 bags, on the basis of nearly completed harvest figures. Heavy rains during flowering resulted in a downward adjustment of 50,000 bags for the Dominican Republic. No other revisions were made for other major producers in the fourth estimate for 1978/79. In 1977/78, total production is estimated at 14.3 million bags, while exportable production is estimated at 10.6 million.

Costa Rica's 1978/79 coffee crop remains estimated at 1.6 million bags, which would be a record outturn. Indications are that this estimate could be on the conservative side. The crop matured early this year, and as of January 15, some 1.18 million bags had been harvested, compared with 856,000 bags as of the same date in 1978.

Costa Rica set an export ceiling of 25,000 tons (431,675 bags) for January-March 1979. Reportedly, the National Coffee Office took this action in accordance with the price defense policy of the Bogota Group of coffee producers. Reportedly, Costa Rica's contribution to the stabilization fund of the Bogota Group has been \$5 million, but this has not been fully confirmed.

The estimate for the 1978/79 crop in the Dominican Republic has been revised downward to 700,000 bags, 50,000 bags fewer than the third estimate of the crop and a 31 percent reduction from output in the previous year. The downward adjustment is because of heavy rains during the flowering stage, the down year in the coffee cycle, and

insufficient use of fertilizer. Based on estimates from various sources, the total area in coffee is about 120,000 hectares. Much of the coffee is grown in the semiwild state, in extremely rough mountainous terrain, with minimum attention given to the trees.

In 1977/78, exports totaled 751,000 bags valued at \$164 million, and compares with 481,000 bags valued at \$130 million in 1976/77. Exports in 1978/79 are expected to drop to around 420,000 bags, based on reduced production and exports during the first 4 months of the October-September marketing year.

On September 5, 1978, the Government reinstated the export tax on coffee. However, the tax is 10 percent less than that under the old tax structure. The rehabilitation program on coffee is being continued by the Government, and a new department for coffee has been established in the Ministry of Agriculture.

Coffee production in **El Salvador** is now estimated at 3 million bags for 1978/79. With harvesting finished in some areas by early February, and based on reports from various sources—including producers, millers, and brokers—it appears the crop will be about 100,000 bags more than previously reported. Area planted to coffee in 1978/79 is estimated at 149,250 hectares, with 147,000 hectares harvested.

The estimates for 1977/78 and 1976/77 have been revised upward significantly. The adjustments are based mainly on higher production data reported to the ICO in October 1978 by the Salvadorean Coffee Company (SCC). Prior to that time the SCC had claimed a production of only 1.8 million bags for 1977/78, although the USDA carried a higher figure.

Prices to producers have dropped substantially in recent months. As of February 7, prices offered to growers for parchment coffee, expressed in green coffee equivalents, were as follows: Low elevation, \$79.60 per hundredweight; mid-elevation, \$80.40; and high elevation growth, \$81.20. Retail prices for roasted, ground coffee in early February ranged from \$3.09 to \$3.53 per kg (\$1.40 to \$1.60 per lb.), compared with \$3.97 to \$5.73 per kg (\$1.80 to \$2.60 per lb.) in November 1978.

The SCC has changed its earlier policy on future sales. Previously, when the sales registry was open, future sales were limited to no more than 30 days. The new policy now calls for the registry to remain open and allows for future sales to be made up to 90 days in advance.

Coffee output in **Guatemala** in 1978/79 and 1977/78 is estimated at 2.5 million and 2.35 million bags, respectively, unchanged from the preceding report (FCOF 1-79). There are indications from the trade and other sources that the 1978/79 final outturn may be lower than that presently estimated, because of heavy rains last September and lack of timely rains during the flowering period.

Calendar 1978 exports of green coffee totaled 2.18 million bags valued at \$460 million, or about 55 percent of total export earnings. For marketing year 1978/79, exports are forecast at 2.15 million bags, with actual shipments from October 1, 1978, through January 26, 1979, totaling 725,000 bags.

Domestic consumption of coffee for 1977/78 is estimated at 310,000 bags and may increase to 315,000 bags in 1978/79. Domestic coffee prices are controlled at about \$2.50 per kg (\$1.13 per lb.).

Jamaican coffee production for 1978/79 is estimated at 20,000 bags, down one-fifth from the preceding year's level. Despite good moisture conditions at the beginning of the season, damage from coffee borers—which have appeared in Jamaica only recently—plus the down year in the 2-year cycle are the main reasons for lower expectations.

On the positive side, the Government continues to urge growers to establish additional coffee areas in the Blue Mountain region. According to the Coffee Industry Board, approximately 250 to 400 new acres (100 to 160 hectares) are being planted. The flowering season for coffee trees in Jamaica is divided into two periods. In the Blue Mountain area, flowering occurs in July, with harvesting in February-April. For the rest of Jamaica, flowering commences in December and January, and this crop is harvested from August through December.

In October-September 1977/78, Jamaican exports of coffee totaled about 17,560 bags, while imports of lower quality coffees for domestic consumption were 4,174 bags.

Although Mexico's 1978/79 crop remains estimated at 3.8 million bags, frost conditions and strong winds in early January damaged some cherries, thus reducing exportable quality coffee from this crop by some 100,000 bags. Most of the affected beans, however, are still usable and will be directed to the domestic market.

The major impact of the cold weather in January in northern Veracruz, Puebla, and parts of Hidalgo and San Luis Potosi will most likely be some reduction in flowering for the 1979/80 crop. It is still premature to estimate the damage to the forthcoming crop, however, and much will depend on the extent of leaf loss to trees.

For 1977/78, Mexico's crop is estimated at 3.6 million bags. Domestic consumption is estimated at 1.55 million bags, and is expected to increase about 10 percent in 1978/79.

Total new-crop (1978/79 harvest) coffee sold through January 1979 is estimated at 750,000 bags. Reportedly, 60 percent of these sales is attributed to the Mexican Coffee Institute (INMECAFE) and the balance to the private trade. Very little old-crop (1977/78) coffee is said to be on hand, with some 400,000 bags being exported since October 1 of last year. Mexico is expected to be in a position to export 2.2 million bags in October-September 1978/79, more than one-fourth above 1977/78 shipments, and still have sizable stocks on hand at the end of the current coffee year.

The minimum export registration price of \$3.53 per kg (\$1.60 per lb.), which had stymied export sales from late September through early November 1978 because of falling world prices, was removed in mid-November. It has been replaced by a reference price that is quoted daily by INMECAFE. The reference price on February 1, 1979, for example, was \$2.69 per kg (\$1.22 per lb.) but was still above world price levels for comparable Central American and Colombian Mild washed coffees. Whenever the reference

price was reduced, exporters would aggressively attempt to consummate sales contracts before the international price level dropped, which would prevent further sales.

On January 11, 1979, the official price schedules upon which export taxes are calculated for green and roasted coffee were readjusted. On January 4, the ad valorem tax rate applied to green coffee exports was changed from a fixed rate of 38 percent to a sliding scale.

Mexico is reported to have recently entered into long-term agreements for the sale of coffee to some East European countries. It is understood that these are essentially letters of intent, with price, quantity, delivery period, etc., to be negotiated at the time of contract formulation. These agreements are said to cover a 4-year period beginning with the current season. Two of the countries mentioned are Yugoslavia and Romania.

SOUTH AMERICA

South American production of coffee in 1978/79 is virtually unchanged at 34.4 million bags from the previous estimate. The Bolivian crop is revised downward but this is mostly offset by a higher estimate for Peru. Mainly as a result of the further recovery in Brazil's crop from the 1975 frost damage, 1978/79 South American total production is 9 percent higher than in 1977/78. Exportable production in 1978/79 is estimated at 23.5 million bags, up from 21.3 million in 1977/78.

Coffee production in **Bolivia** for 1978/79 is now estimated at 130,000 bags, up 6 percent from the 1977/78 level. Both figures are well below estimates published earlier and are believed to be more representative of actual current production levels.

Interest in improving existing plantations and increasing plantings in new areas is growing rapidly. Several separate entities are involved in coffee improvement projects, including the United States Agency for International Development (USAID), which is providing technical and financial assistance.

Government officials are especially concerned about the recent outbreaks of coffee rust in the Departments of Santa Cruz and Beni. To eradicate the disease, the Government is attempting to burn all the infected trees. Should the rust spread to the Yungas district in the Department of La Paz (which accounts for over 90 percent of Bolivia's total coffee output), future production could be seriously affected.

Production estimates for **Brazil** for 1978/79 and 1977/78 remain unchanged at 20 million bags and 17.5 million bags, respectively. Minas Gerais, a major coffee producing state, suffered heavy rains and flooding in January and February. In some areas, up to five times the normal rainfall is said to have occurred. Other states—including Rio de Janeiro, Espirito Santo, and Bahia—also experienced excessive rains during this period. However, output of coffee was not materially affected.

Prospects for the 1979 crop (1979/80 crop year) in Minas Gerais and San Paulo continue to be very good, while the

outlook for the crop in Parana has been significantly reduced by the August 13-15, 1978, freeze. Brazil's coffee harvest in any given year normally begins in April and extends in some areas into September.

On February 10, the Brazilian Coffee Institute (IBC) released its fourth and final estimate of the 1978/79 coffee crop—20 million bags, up from the estimate of 19.2 million in mid-October 1978. At the same time, the IBC published its first estimate of Brazil's 1979/80 crop (1979 harvest)—21.3 million bags. The 1979/80 output, as estimated by the IBC, was broken down by states as follows (in million bags): Parana, 3.0; San Paulo, 8.1; Minas Gerais, 7.1; Espirito Santo, 2.4; and other states, 0.7.

According to the IBC, Brazil's coffee exports in calendar 1978 totaled 12,550,973 bags valued at \$2.29 billion. Of the total volume, 10,355,009 bags were green coffee and the balance was the green equivalent of soluble coffee exports. In 1977, Brazil's coffee exports totaled 10,082,907 bags valued at \$2.61 billion, with the total volume of green coffee being 8,896,220 bags. In January 1979, Brazil shipped a total of 516,114 bags, including the green equivalent of 160,851 bags of soluble coffee, for a total value of \$82 million.

As of March 15, 1979, Brazil will have a new government, and a new president of the IBC has already been named. He is Octavio Rainho Neves, who at the time of the announcement was Brazil's ambassador to the Ivory Coast. The outgoing president of the IBC, Camillo Calazans, has indicated that Brazil's 1979 coffee exports should be about the same as during 1978.

IBC Resolution 5/79, dated January 31, 1979, reduced the minimum registration prices and the contribution quota, or export tax, applicable to shipments from February 1 to April 30, 1979 as follows:

- (a) Green coffee type 6 and better—from US\$1.60 to \$1.30 per pound;
- (b) Green coffee below type 6 to type 7—from \$1.57 to \$1.27 per pound;
- (c) Contribution quota on green coffee exports—from \$90 to \$50 per bag.

IBC Resolution 6/79, also dated January 31, is applicable to exports of soluble coffee during the same period, i.e., from February 1 to April 30, 1979. Minimum export prices and contribution quotas were reduced as follows:

- (a) Spray-dried coffee—from \$3.80 to \$3.50 per pound;
- (b) Freeze-dried coffee—from \$4.50 to \$4.00 per pound;
- (c) Contribution quotas—from \$1.10 per pound of spray-dried and from \$1.00 per pound of freeze-dried to \$0.80 per pound for both types of soluble coffee.

As of January 1, 1979, the Government raised the price of ground roasted coffee to the consumer by 10 percent; from Cr\$64.80 to Cr\$71.28 per kilogram in the Central and

Southern states, and from Cr\$68.42 to Cr\$73 per kilogram in the Northern and Northeastern states.

In general, the coffee situation in **Colombia** has not changed greatly from that previously reported. Production in 1978/79 is estimated at 10.8 million bags, up from 10.3 million bags in 1977/78. Production in 1977/78 was considered to have been excellent, and some believe that output was substantially higher than present FAS estimates for the crop. Reasons for the increased production in 1977/78 were favorable weather, an 8 percent increase in harvested area (which contained new higher yielding varieties), and improved management practices. The average yield per hectare rose by 3 percent.

With respect to 1978/79, weather conditions so far in the producing areas have been generally good. Dry weather in the Caldas region was reported during December, but the effect on production is not expected to be significant. Also, most of the berries in that area reached maturity by late December. During January-March 1979, the crop originates mainly from the States of Quindio, Valle, Risaralda, and Caldas. The spring 1979 crop comes from other producing regions such as Cundinamarca, Santander, and Antioquia.

During October-December 1978, coffee exports are estimated to have reached 2,956,404 bags, about twice the quantity for the same period a year earlier. The large shipments were a result of major efforts on the part of Colombia to decrease its large stocks as much as possible and to take advantage of somewhat higher prices that existed for several months following the August 1978 frost in Brazil. On February 21, 1979, the Monetary Board reduced the *reintegro*, or repatriation requirement (the minimum amount of U.S. dollars that coffee exporters must deposit with the Banco de la Republica for coffee exported) from US\$217 to \$188.40 per 70-kg bag (from US\$1.41 to \$1.29 per pound). This was the third time in 1 month that the Board had lowered the *reintegro* price to enable exporters to compete for sales. Since February 21, the National Federation of Coffee Growers (CGF) has raised the resale price it will pay exporters, which as of March 9 was \$3.02 per kg, or \$1.37 per pound.

On December 17, 1978, the CGF increased the quantity of coffee allocated to local processors from 1.5 million bags to 1.7 million bags. This increase is supposed to meet domestic demand and help avoid the periodic shortages on retail shelves that occurred last year. Domestic prices for processed coffee in Colombia are still lower than in Venezuela and Ecuador. For this reason, substantial quantities of roasted coffee are believed to move illegally across Colombian borders to these neighboring countries.

Other major changes affecting internal coffee policy were announced by the CGF on February 26. The price paid coffee producers was reduced from the equivalent of US\$176 per 125 kg to \$154, or 12 percent. At the same time, a number of monetary measures were taken to restrict the money supply and to minimize the impact of lower prices to growers. Also, the coffee retention tax, which guarantees coffee for the domestic market, was reduced from 80 percent to 45 percent.

Production in **Peru** during 1978/79 (April-March) is estimated at 1.08 million bags, or slightly higher than in the preceding year. The increase is a result of more favorable rainfall during the growing period as well as improved cultural practices. Fertilizer subsidies to growers were gradually removed during 1978, however, and higher prices for production inputs may tend to affect yields in coming years. Also, an outbreak of coffee rust is reported to have occurred in the important producing area of Satipo, and this could affect future production if infestation becomes extensive. Reportedly, very few rust preventive measures were taken as of mid-February in the growing areas.

The area in coffee in 1978/79 is estimated at 122,500 hectares with the coffee tree population placed at 196 million, about the same as in previous years. Although the policy of the Ministry of Agriculture and Food encourages replanting and rehabilitation of older coffee areas, little progress in this respect has been made. This may be partly because the Agrarian Bank does not grant credits for this purpose.

Exports during April 1978-March 1979 are estimated at 850,000 bags, or substantially higher than exports of 760,000 bags during 1977/78. Domestic consumption of coffee, in green bean equivalent, has remained stable at about 250,000 bags in the past few years—largely because of increasing prices for domestic roasted coffee and eroding consumer purchasing power.

AFRICA

Total production of coffee in Africa in 1978/79 is estimated at 18.3 million bags, with exportable production placed at 15.7 million. This is 7 and 8 percent larger, respectively, than total and exportable productions in 1977/78. Among the larger producers, crop increases of significance in 1978/79 over 1977/78 outturns are expected for Cameroon and Ivory Coast, which more than offset lower crops in Angola and Kenya.

The estimate for **Kenya's** 1978/79 crop remains at 1.34 million bags, which is well below outturns of the 2 preceding years. The decrease in production is primarily a result of excessive rains from mid-October through February 5, 1979. December 1978 and January 1979 have been recorded as the wettest and coldest months since the floods of 1962/63. The heavy rains, with hardly any sunny days, reportedly caused early crop flowers in numerous producing areas to drop or not set fruit. Based partially on larger than expected exports and sizable ending stocks, Kenya's 1977/78 production is revised upward to 1.4 million bags.

The Coffee Board of Kenya controls—on behalf of the Government—all policy matters on coffee, such as planting, extension, processing, research, licensing, and marketing. Kenya's marketing system is designed so that the farmer is properly remunerated, while ensuring the smooth export of coffee. The Board sells coffee on behalf of the growers rather than purchasing the crop from them. All Kenyan coffee is sold by the Board at auctions attended

only by licensed coffee traders. These traders must meet certain criteria of the Board as to business and financial stability. The number of licensed exporters is about 50, and they are the only persons or firms who can legally export coffee.

The Government is actively seeking a substantial loan from the World Bank for the rehabilitation of the coffee industry. If approved, the program will, among other ventures, include funds for improving access roads from growers to coffee processing plants, where the coffee cherries are pulped and the green beans are graded for export. Poor secondary roads have made deliveries by growers to these plants almost impossible at times, especially during periods of heavy rain.

Production in the Ivory Coast in 1978/79 is estimated at 4.2 million bags, up more than one-fourth from the preceding year's level, but less than pre-season expectations. The crop got off to a good start with favorable rains during the flowering period in February/March 1978. However, a long dry spell between June and October stunted berry formation on the trees. Coffee deliveries to market centers as of February 2 totaled around 1.7 million bags, slightly under those at the same time during 1976/77, but about double the level a year earlier.

The 1979/80 crop prospects seem good, although it is too early to make an initial forecast. Rains in most of the growing regions during early flowering period at the beginning of February reportedly have been satisfactory. However, some concern has been mentioned as to growing conditions in the central growing area around Divo.

Green coffee exports in October 1978-September 1979 are being projected at around 4.2 million bags. Exports during 1977/78 are reported at 3.8 million bags valued at \$655 million. During 1977/78, cocoa and cocoa products replaced coffee as the leading earner of foreign exchange with \$890 million, or 37 percent of the total value of all exports for the marketing year.

The 1978/79 season will be the first full year of operation of the soluble coffee plant in Abidjan. During calendar 1979, some 200,000 bags of green beans are expected to be processed, 85 percent of which probably will be for export.

Some rebuilding of stocks is expected during 1978/79. With export sales lagging because of an unenthusiastic selling policy resulting from falling world prices, the Ivory Coast may well have larger stocks than it considers desirable at the end of the marketing year.

ASIA and OCEANIA

Total production of coffee in Asia and Oceania is estimated at 6.6 million bags in 1978/79, compared with 6.9 million in 1977/78. Most of the decline for the current crop year was in India, where above-normal rainfall adversely affected yields. Exportable production for Asia and Oceania is estimated at 4.6 million bags, down 5 percent from the 1977/78 levels. Besides India, other important producers are Indonesia, the Philippines, and Papua New

Guinea. No additional information on these latter countries is available from that reported in the preceding coffee circulars covering the 1978/79 outturn.

India's 1978/79 coffee crop is now estimated at 1.85 million bags, 150,000 bags fewer than previously reported and 13 percent below the 1977/78 output. The decrease in the estimate for the current crop is attributed to black-rot and berry drop caused by excessive rains through most of November in almost all the coffee growing areas. The Coffee Board's allocation for export from the 1978/79 crop is only 975,000 bags. Export prices in recent months have declined sharply to keep Indian coffee competitive with other sources.

U.S. COFFEE TRADE

U.S. imports of green coffee during calendar 1978 totaled 18.1 million bags valued at \$3.7 billion, compared with 14.8 million bags valued at \$3.9 billion in 1977. In 1976 and 1975, the volume of green coffee imported was 19.8 million and 20.3 million bags, respectively. Imports of roasted and soluble coffee in 1978 on a green bean equivalent basis (GBE) totaled 1.6 million bags valued at \$306 million. Comparable imports of processed coffee in 1977 were 1.7 million bags valued at \$381 million. For the years 1975 through 1978, the average unit values per pound of green coffee imports, f.o.b. basis, were \$0.58, \$1.01, \$1.97, and \$1.55, respectively. During this period, the average monthly unit import value peaked at \$2.44 per pound in July 1977. In January 1979, the average unit import price was down to \$1.34 per pound.

In 1978, the 10 leading suppliers of green coffee to the United States, (in 1,000 bags, with 1977 quantities in parentheses) were as follows: Colombia 2,808 (1,951), Brazil 2,694 (2,453), Mexico 1,390 (1,406), Indonesia 1,177 (860), Ecuador 1,044 (505), Guatemala 942 (832), Ivory Coast 775 (673), Peru 654 (461), El Salvador 627 (1,037), and Zaire 598 (306).

Percentage shares of the U.S. market for green coffee in 1978, by principal countries and areas of origin (with corresponding 1977 percentages in parentheses): Brazil 15 (17), Colombia 16 (13), other South America 12 (8), Mexico and Central America 22 (27), Africa and Asia 32 (31), and the Caribbean 3 (4).

Total exports of green and processed coffee in 1978 (in GBE) were 428,000 bags valued at \$114 million, compared with 1977 exports of 518,000 bags valued at \$80 million. Total reexports of green and processed coffee in 1978 (in GBE) were 770,000 bags valued at \$174 million, compared with corresponding 1977 reexports of 1.5 million bags valued at \$376 million.

According to U.S. Bureau of Census data, inventories of green coffee held by U.S. roasters, importers, and dealers on December 31, 1978, were 2,331,000 bags, up from 2,131,000 bags on September 30, 1978, and 38 percent higher than inventories held at the end of 1977. Total green coffee roastings in 1978 were 16.3 million bags, compared with 14.2 million bags in 1977, and 19.1 million bags in 1976.

A preliminary report of the 1977 Census of Manufactures issued by the Bureau of the Census, U.S. Department of Commerce, indicates that roasted coffee manufacturing plants in the United States shipped \$5.6 billion of coffee products for mainly domestic consumption in 1977 and employed 10,900 workers. Compared with 1976, the value of shipments rose 22 percent and were 140 percent above comparable 1972 shipments at \$2.3 billion.

Based on U.S. Bureau of Labor Statistics data, the wholesale price of a 1-pound can of roasted coffee during calendar 1978 averaged \$2.86, compared with \$3.52 in 1977 and \$2.01 in 1976. Similarly, the wholesale price of a 6-ounce jar of instant coffee averaged \$2.86 in 1978, \$3.26 in 1977, and \$2.08 in 1976. As of January 1979, the average wholesale price of a 1-pound can of roasted coffee was \$2.44, while the 6-ounce jar of soluble coffee was \$2.70.

Other Developments

The meeting of the Executive Board of the International Coffee Organization (ICO) on February 27 to review the current market situation proved untimely for many member countries, in view of other concurrent matters. Therefore, the Board agreed to meet again April 2-6 at the ICO London headquarters, when more substantive discussions could be undertaken.

Under terms of ICO Resolution 302, as established during the Council session in September 1978, a meeting of the Executive Board was mandatory if the ICO composite indicator price remained on average for 20 consecutive market days 15 percent above or below a base reference price of 151.51 cents a pound. On February 15, the indicator price was 128.64 cents, bringing the 20-day

moving average 0.14 cent below 128.78 cents, the lower level of the price range circumscribed by the formula. The special system of monitoring prices was approved by the Council after member countries failed to agree on revised trigger prices for the introduction of export quotas under the economic provisions of the present International Coffee Agreement.

The 68th annual convention of the National Coffee Association of U.S.A. was held in Boca Raton, Florida, February 4-7, 1979. The theme of the convention, as highlighted by the President of the NCA and keynote speaker, was "Coming on Strong," indicating the steady recovery of the U.S. coffee industry from the adverse affects of the disastrous 1975 frost in Brazil, including sharply reduced U.S. consumption. Representatives of 133 Association member companies and 16 foreign countries were among the more than 700 delegates who registered for the meeting. There were also several U.S. and foreign government officials in attendance.

According to a communique released by the ICO in London early in March, the Board of Management of the ICO's Promotion Fund approved a proposal by the National Coffee Association authorizing \$875,000 to fund a trial generic coffee television campaign to be carried out in the United States for 1 year beginning April 1, 1979. At the same time, the Board authorized funds for similar promotion campaigns in West Germany and Denmark. The Fund's promotion committee is comprised of all 43 exporting members of the ICO who have contributed more than \$20 million to the Fund.

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COFFEE, GREEN: TOTAL PRODUCTION IN SPECIFIED COUNTRIES = AVERAGE 1969/70=1973/74; ANNUAL 1974/75=1978/79 1/
(IN THOUSANDS OF 60 KG BAGS) 2/

REGION AND COUNTRY	AVERAGE 1969/70-1973/74	1974/75	1975/76	1976/77	1977/78	1978/79
NORTH AMERICA						
COSTA RICA.....	1,381	1,390	1,305	1,331	1,549	1,600
CUBA.....	482	450	415	450	425	450
DOMINICAN REPUBLIC.....	730	880	1,040	728	1,021	700
EL SALVADOR.....	2,350	3,300	2,530	2,968	2,400	3,000
GUATEMALA.....	2,028	2,540	2,149	2,613	2,350	2,500
HAITI.....	533	520	650	515	544	530
HONOURAS.....	689	815	843	691	1,036	1,100
JAMAICA.....	23	21	30	18	25	20
MEXICO.....	3,335	3,900	4,200	3,650	3,600	3,800
NICARAGUA.....	619	700	813	852	961	1,075
PANAMA.....	80	75	75	78	96	92
TRINIDAD-TOBAGO.....	48	65	42	56	44	60
US-HAWAII.....	24	12	11	13	14	11
US-PUERTO RICO.....	196	200	150	145	197	200
TOTAL.....	12,518	14,868	14,253	14,108	14,262	15,138
SOUTH AMERICA						
BOLIVIA.....	103	90	100	113	123	130
BRAZIL.....	18,170	27,500	23,000	9,300	17,500	20,000
COLOMBIA.....	8,010	9,000	8,500	9,300	10,346	10,800
ECUADOR 3/.....	1,006	1,270	1,191	1,389	1,434	1,483
GUYANA.....	12	15	15	17	17	17
PARAGUAY.....	48	42	40	20	30	40
PERU.....	998	900	1,000	1,115	1,050	1,080
VENEZUELA.....	962	765	1,077	656	966	870
TOTAL.....	29,309	39,582	34,923	21,910	31,466	34,420
AFRICA						
ANGOLA.....	3,512	3,444	1,180	1,112	1,121	900
BENIN.....	15	49	19	17	3	15
BURUNDI.....	339	479	279	359	285	360
CAMEROON.....	1,288	1,816	1,332	1,307	1,383	1,660
CENTRAL AFRICAN EMPIRE.....	181	194	150	166	100	150
CONGO, BRAZZAVILLE.....	14	11	28	33	46	40
EQUATORIAL GUINEA.....	115	110	90	90	80	80
ETHIOPIA.....	2,527	2,488	2,677	2,882	3,024	3,000
GABON.....	14	3	1	7	2	8
GHANA.....	75	78	56	70	40	70
GUINEA.....	136	60	23	39	25	40
IVORY COAST.....	4,282	4,500	5,133	4,800	3,285	4,165
KENYA.....	1,053	1,100	1,230	1,467	1,417	1,336
LIBERIA.....	76	81	68	164	158	100
MAURITIUS.....	1,019	1,202	1,065	1,048	1,273	1,300
MAURITANIA.....	64	42	67	53	46	45
RWANDA.....	221	497	434	531	359	400
SIERRA LEONE.....	102	111	57	147	115	140
TANZANIA.....	815	935	959	800	843	850
TOGO.....	200	115	151	177	82	150
UGANDA.....	3,255	3,340	2,264	2,672	1,996	2,000
ZAIRE (CONGO, K).....	1,289	1,267	1,042	1,429	1,450	1,500
TOTAL.....	20,592	21,922	18,285	19,370	17,133	18,309
ASIA						
INDIA.....	1,473	1,630	1,478	1,791	2,133	1,850
INDONESIA.....	2,450	2,675	2,865	3,089	3,218	3,180
MALAYSIA.....	64	70	100	100	100	100
PHILIPPINES.....	513	467	483	550	571	600
PORTUGUESE TIMOR.....	58	75	75	65	75	4/
Vietnam.....	52	60	60	60	65	70
YEMEN: ARAB REP.....	45	45	45	45	50	50
TOTAL.....	4,655	5,023	5,106	5,700	6,212	5,850
OCEANIA						
NEW CALEDONIA.....	25	25	25	25	25	25
PAPUA NEW GUINEA.....	499	633	650	700	617	700
TOTAL.....	525	658	675	725	642	725
WORLD TOTAL.....	67,599	82,052	73,242	61,813	69,715	74,442

1/ Coffee marketing year begins about July in some countries and in others about October. 2/ 132,276 pounds. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1978 in that country is shown as production for the 1978/79 marketing year. In Ecuador, however, this is referred to as the 1977/78 crop. 4/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements.

Source: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attachés and Foreign Service Officers, results of office research, and related information.

April 1979

Commodity Programs, FAS, USDA

COFFEE: GREEN: EXPORTABLE PRODUCTION IN SPECIFIED COUNTRIES - AVERAGE 1969/70-1973/74, ANNUAL 1974/75-1978/79 1/
(IN THOUSANDS OF 60 KG BAGS) 2/

REGION AND COUNTRY	AVERAGE 1969/70-1973/74	1974/75	1975/76	1976/77	1977/78	1978/79
NORTH AMERICA:						
COSTA RICA.....	1,219	1,237	1,152	1,147	1,364	1,411
CUBA.....	43	--	--	--	--	--
DOMINICAN REPUBLIC.....	507	606	755	481	751	420
EL SALVADOR.....	2,189	3,130	2,350	2,783	2,210	2,805
GUATEMALA.....	1,772	2,255	1,859	2,315	2,046	2,190
HAITI.....	329	305	425	274	304	290
HONDURAS.....	567	705	739	587	929	990
JAMAICA.....	8	4	17	6	13	10
MEXICO.....	1,776	2,156	2,660	2,600	2,050	2,100
NICARAGUA.....	531	608	737	774	881	992
PANAMA.....	14	--	25	13	29	24
TRINIDAD-TOBAGO.....	33	55	29	41	24	38
US-HAWAII.....	.3	--	--	--	--	--
US-PUERTO RICO.....	--	--	--	--	--	--
TOTAL.....	8,990	11,055	10,748	10,821	10,501	11,270
SOUTH AMERICA:						
BOLIVIA.....	65	68	78	85	92	97
BRAZIL.....	9,594	19,500	15,000	2,300	10,000	12,000
COLOMBIA.....	6,580	7,400	7,100	7,900	8,846	9,100
ECUADOR 3/.....	778	1,113	1,026	1,219	1,254	1,298
GUAYANA.....	--	--	--	--	--	--
PARAGUAY.....	29	19	19	--	8	18
PERU.....	766	640	650	865	800	830
VENEZUELA.....	307	95	377	189	266	150
TOTAL.....	18,119	28,835	24,250	12,558	21,266	23,493
AFRICA:						
ANGOLA.....	3,420	3,352	1,100	1,040	1,046	820
BENIN.....	13	48	18	16	2	14
BURUNDI.....	334	476	276	357	282	357
CAMEROON.....	1,245	1,766	1,279	1,281	1,356	1,633
CENTRAL AFRICAN EMPIRE.....	172	182	139	155	88	138
CONGO-BRAZZAVILLE.....	13	10	27	32	45	39
EQUATORIAL GUINEA.....	109	105	85	80	70	70
ETHIOPIA.....	1,301	1,051	1,011	1,049	1,135	1,100
GABON.....	13	2	--	6	1	7
GHANA.....	62	63	41	55	25	55
GUINEA.....	130	55	17	33	19	34
IVORY COAST.....	4,218	4,432	5,066	4,768	3,249	4,123
KENYA.....	1,031	1,082	1,213	1,439	1,370	1,285
LIBERIA.....	71	73	59	154	148	90
MADAGASCAR.....	890	1,059	925	915	1,133	1,155
NIGERIA.....	39	--	18	--	--	--
RWANDA.....	216	495	432	529	357	398
SIERRA LEONE.....	97	106	52	142	110	135
TANZANIA.....	796	909	934	780	823	830
TOGO.....	197	114	150	176	81	149
UGANDA.....	3,235	3,311	2,222	2,642	1,966	1,970
ZAIRE (CONGO,K.).....	1,165	1,112	892	1,262	1,275	1,320
TOTAL.....	18,765	19,803	15,956	16,911	14,581	15,722
ASIA:						
INDIA.....	709	970	729	941	1,229	912
INDONESIA.....	1,543	1,700	1,965	2,275	2,699	2,670
MALAYSIA.....	--	--	--	--	--	--
PHILIPPINES.....	8	84	142	242	250	242
PORTUGUESE TIMOR.....	51	64	64	55	65	4/
Vietnam.....	--	--	--	--	--	--
YEMEN: ARAB REP.....	36	35	35	35	40	40
TOTAL.....	2,347	2,853	2,935	3,548	4,283	3,864
OCEANIA:						
NEW CALEDONIA.....	14	14	14	14	14	14
PAPUA NEW GUINEA.....	494	628	645	694	610	694
TOTAL.....	509	642	659	708	624	708
WORLD TOTAL.....	48,730	63,188	54,548	44,546	51,355	55,057

-- Denotes negligible.

1/ Coffee marketing year begins about July in some countries and in others about October. Exportable production represents total harvested production minus estimated domestic consumption. 2/ 132,276 pounds. 3/ As indicated in footnote 1, the coffee marketing year begins in some countries as early as July. Ecuador is one of these countries. Hence, the crop harvested principally during June-October 1978 in that country is shown as production for the 1978/79 marketing year. In Ecuador, however, this is referred to as the 1977/78 crop. 4/ Beginning 1978/79 included in Indonesia.

NOTE: Production estimates for some countries include cross-border movements.

Source: Prepared or estimated on the basis of official statistics of foreign governments, other foreign source materials, reports of U.S. Agricultural Attachés and Foreign Service Officers, results of office research, and related information.

April 1979

Commodity Programs, FAS, USDA

GREEN COFFEE: VALUE OF EXPORTS BY SPECIFIED PRODUCING COUNTRIES
 1973-77 1/

(In million U.S. dollars)

Country	1973	1974	1975	1976	1977 <u>2/</u>
Costa Rica	94	125	97	154	319
Dominican Republic ...	43	30	43	103	185
El Salvador	157	161	230	403	744
Guatemala	146	173	164	243	540
Haiti	21	16	23	51	70
Honduras	45	44	57	101	169
Mexico	157	170	184	393	512
Nicaragua	44	46	48	119	199
:					
Brazil	1,244	864	855	2,173	2,288
Colombia	598	623	675	967	1,513
Ecuador	65	68	67	208	160
Peru	69	35	49	106	197
Venezuela	19	23	18	38	51
:					
Angola	199	229	200	149	254
Ethiopia	90	73	74	155	265
Ivory Coast	208	297	287	617	924
Kenya	102	107	99	220	482
Tanzania	69	53	65	155	224
Uganda	203	231	212	298	547
:					
India	60	75	85	142	280
Indonesia	77	98	100	238	599
:					
Total specified countries	3,710	3,541	3,632	7,033	10,522
:					

1/ Coffee exports from these countries represent around 90 percent of total world exports. 2/ Preliminary.

Source: Compiled from official statistics of foreign governments, reports of agricultural attaches and Foreign Service Officers, trade reports, and other related source materials.

April 1979

Commodity Programs, FAS, USDA

GREEN COFFEE: U.S. IMPORTS, BY COUNTRY OF ORIGIN,
QUANTITY AND VALUE, 1977 AND 1978

Continent and Country	1977			1978 <u>1/</u>		
	60 Kg Bags	2/: 1,000 Dollars		60 Kg Bags	2/: 1,000 Dollars	
North America:						
Costa Rica	271,985	74,821		334,415	69,613	
Dominican Republic	584,501	143,759		460,591	101,923	
El Salvador	1,037,031	285,102		627,088	113,773	
Guatemala	832,294	210,744		942,485	202,028	
Haiti	92,002	23,091		61,151	12,148	
Honduras	218,629	55,245		534,931	119,513	
Mexico	1,406,341	370,067		1,389,595	272,237	
Nicaragua	119,342	29,804		147,128	33,234	
Panama	77,418	17,864		41,809	9,946	
Trinidad and Tobago	1,285	371		14,508	2,653	
Other	3,947	477		14,738	3,249	
Total North America	4,644,775	1,211,345		4,568,439	940,317	
South America:						
Brazil	2,452,696	624,580		2,694,226	644,961	
Colombia	1,950,946	517,014		2,807,996	680,538	
Ecuador	504,570	123,048		1,044,396	193,246	
Peru	461,093	123,884		654,307	125,072	
Venezuela	155,437	42,195		238,583	45,488	
Other	24,956	6,203		226,979	37,208	
Total South America	5,549,698	1,436,924		7,666,487	1,726,513	
Africa:						
Angola	49,124	12,787		303,559	53,244	
Burundi	113,847	25,190		172,974	28,225	
Cameroon	108,385	22,185		208,705	38,244	
Ethiopia	288,118	86,991		461,142	91,956	
Ivory Coast	673,175	186,607		774,706	148,050	
Kenya	212,032	54,672		106,668	20,509	
Madagascar	212,358	46,796		406,363	76,812	
Rwanda	125,312	31,570		230,838	45,064	
Tanzania	216,039	60,229		333,972	61,206	
Uganda	966,322	245,298		437,925	81,330	
Zaire	305,710	89,006		597,527	110,593	
Other	134,994	36,180		154,015	31,206	
Total Africa	3,405,416	897,511		4,188,394	786,439	
Asia and Oceania:						
India	158,165	41,804		276,889	48,539	
Indonesia	859,684	223,003		1,176,725	178,691	
Papua New Guinea	155,757	40,404		169,020	31,949	
Other	16,670	4,450		73,149	12,361	
Total Asia and Oceania	1,190,276	309,661		1,695,783	271,540	
Other countries	17,525	5,557		13,674	3,490	
Grand Total	14,807,690	3,860,998		18,132,777	3,728,299	

1/ Preliminary. 2/ 132.276 pounds each.

Source: Compiled from U.S. Department of Commerce, Bureau of Census data.

GREEN COFFEE: U.S. GROSS IMPORTS FOR CONSUMPTION BY MONTHS, 1974-78
 (In 60 kilogram bags)

Month	1974	1975	1976	1977	1978 <u>1/</u>
January	2,182,348	1,851,613	1,664,327	1,994,147	1,682,045
February	2,021,633	1,656,028	1,743,777	1,706,674	1,574,583
March	2,457,448	1,534,871	2,311,082	1,839,178	1,707,452
April	2,264,222	1,448,487	1,636,324	1,824,133	1,556,739
May	1,870,680	1,365,017	1,546,394	1,223,533	1,345,237
June	1,528,705	1,735,631	1,863,977	1,136,816	1,249,290
January-June	12,325,036	9,591,647	10,765,881	9,724,481	9,115,346
July	1,499,043	1,625,743	1,909,138	755,821	1,315,844
August	1,152,052	1,867,525	1,636,634	695,029	1,123,721
September	820,716	2,533,330	956,398	678,095	1,337,360
October	739,702	1,783,726	1,012,923	635,077	1,901,294
November	1,159,285	1,587,478	1,648,566	971,964	1,688,512
December	1,549,655	1,299,058	1,858,301	1,347,223	1,650,700
July-December	6,920,453	10,696,860	9,021,960	5,083,209	9,017,431
Calendar year total	19,245,489	20,288,507	19,787,841	14,807,690	18,132,777
ICO year <u>2/</u>	20,743,270	19,066,887	19,938,313	16,373,216	15,846,535

1/ Preliminary. 2/ Year ending September 30 of year shown; ICO is International Coffee Organization.

Source: Compiled from U.S. Department of Commerce, Bureau of Census data.

April 1979

Commodity Programs, FAS, USDA

GREEN COFFEE: U.S. GROSS IMPORTS BY COUNTRY OR AREA OF ORIGIN
AVERAGE 1966-70, ANNUAL 1975-78

	Average 1966-70	1975	1976	1977	1978	<u>1/</u>
	Mil. bags 2/ cent	Per- cent				
Brazil	6.32	29	3.75	19	3.09	16
Africa and Asia	7.74	36	6.93	34	7.29	37
Europe	<u>3/</u>	<u>4/</u>	.07	<u>4/</u>	.03	<u>4/</u>
Mild Coffees:						
Colombia	2.76	13	3.40	17	2.69	13
Other South America	1.25	6	1.44	7	1.52	8
Mexico and Central America	3.24	14	4.25	21	4.40	22
Caribbean43	2	.45	2	.76	4
Total Milds ..	7.68	35	9.54	47	9.37	47
Total World ..	<u>21.74</u>	100	20.29	100	19.78	100
					14.81	100
					18.13	100
					52	9.55
					53	

1/ Preliminary. 2/ 60 kilogram bags of 132.276 pounds each. 3/ Less than 10,000 bags. 4/ Less than one-half of one percent.

Source: Compiled from U.S. Department of Commerce, Bureau of Census data.

Commodity Programs, FAS, USDA
April 1979

COFFEE: UNITED STATES TRADE, QUANTITY AND VALUE, 1974-1978

	1974	1975	1976	1977	1978
	Bags 1/ Dollars				
<u>Imports</u>					
Green	19,245	1,504,218	20,289	1,561,701	19,788
Roasted 2/	190	14,936	325	25,317	372
Soluble 2/	1,619	118,530	1,107	86,272	1,550
Total	21,054	1,637,684	21,721	1,673,290	21,710
<u>Exports</u>					
Green	114	9,333	142	12,169	120
Roasted 2/	98	11,263	166	20,591	122
Soluble 2/	179	19,824	217	26,353	114
Total	391	40,420	525	59,113	356
<u>Reexports</u>					
Green	1,201	74,566	618	50,590	905
Roasted 2/	14	1,668	17	1,869	24
Soluble 2/	61	4,739	38	3,083	47
Total	1,276	80,973	673	55,542	976

1/ 60 kilogram bags of 132.276 pounds each. 2/ Converted to bags of green bean equivalent (GBE) at 1.19 pounds green to 1 pound soluble.

Source: Compiled from U.S. Department of Commerce, Bureau of Census data.

April 1979

Commodity Programs, FAS, USDA



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